

**Before The
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of:

**Rates For Interstate Inmate
Calling Services**

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)

WC Docket No. 12-375

OPPOSITION TO PETITION FOR STAY

The Wright Petitioners hereby submit this Opposition to the Petition For Stay Pending Judicial Review, filed by Telmate, LLC. (the “Petition”).¹ The Petition requests that the FCC stay the effectiveness of changes made to the Inmate Calling Service (“ICS”) rates contained in the Order on Reconsideration adopted on August 2, 2016, and released on August 9, 2016, in the above-captioned proceeding.²

Telmate’s Petition must be denied. Telmate is simply wrong that (i) it will likely prevail in a future judicial review of the new ICS rate caps; (ii) it will suffer irreparable harm from the implementation of new ICS rate caps; (iii) other interested parties will not be substantially harmed if the stay of the new ICS rate caps is granted; and (iv) the public interest favors granting a stay of the new ICS rate caps. Instead, as discussed below, the new ICS rate caps will fully compensate Telmate for its costs associated with providing ICS to the public. Moreover, the new ICS rate caps are necessary to force Telmate and other ICS providers to cease their new practice of raising intrastate rates to “make them whole” in light of the cap on ancillary ICS fees that went into effect on June 20, 2016. In light of the Commission’s goal to protect consumers from unjust, unreasonable and unfair ICS rates and fees, the Petition must be denied.

¹ The Petition was filed on August 29, 2016. Pursuant to Section 1.45(d) of the FCC’s rules, this Opposition is filed within 7 days of the submission. *See* 47 C.F.R. § 1.45(d) (2015).

² *Rates for Interstate Inmate Calling Services*, Order on Reconsideration, FCC 16-102, rel. Aug. 9, 2016 (the “Recon Order”). The Recon Order has yet to be published in the Federal Register.

I. Telmate Will Not Be Successful On The Merits

1. Applicability of Section 201 and Section 276.

Telmate asserts that it is likely to prevail on the merits of a judicial review of the Recon Order. In particular, Telmate asserts that Section 201 of the Communications Act does not apply to Telmate because it has self-classified its ICS service as non-interconnected VoIP, which Telmate argues is not subject to Section 201 of the Communications Act. Upon that basis, Telmate argues that its self-classified non-interconnected VoIP service is only subject to Section 276, and the Commission does not have authority to set rate caps under Section 276.³

First, it is not clear that Telmate has correctly classified the ICS service that it provides as non-interconnected VoIP. Telmate has made this assertion presumably because it uses VoIP transport for its service, and only outgoing ICS calls are made from correctional facilities. However, the fact that only one-way calling occurs from inmates to their families on Telmate's ICS system is due to the choice made by correctional facilities to prohibit inbound calls to inmates, and Telmate has not provided any evidence that two-way service on its ICS network is technically impossible. Merely using transport service over the Internet does not automatically transform a common carrier's service into an "information service." Absent some showing to the contrary, Telmate's self-serving statements presented solely to evade Commission statutory authority under Section 201 must be rejected.

Next, Telmate asserts that the "D.C. Circuit has suggested that it, too, is skeptical that Section 276 grants authority to cap calling rates."⁴ Of course, Telmate cannot point to any statement to that effect, instead relying on the grant of the stay request in March 2016 as its

³ See *Petition*, pg. 9.

⁴ See *Petition*, pg. 10.

“evidence.” To the extent that Telmate is resting its hopes on the very short, terse March 2016 Stay Orders, its “likelihood” claims must be rejected.

In fact, as is often the case, the Court of Appeals did not explain the basis for why it granted the partial stays. Because the standard it applies is a balancing of the four *Virginia Petroleum Jobbers* factors, it is impossible to speculate about exactly why the court granted a stay in its review of the Second Report and Order. It could have found a high likelihood of success on the merits but a lesser likelihood of substantial irreparable harm, or vice versa. Or, it could have found both factors strongly favored a stay. On the other hand, when a court denies a stay, we can confidently conclude that it found neither a strong likelihood of success on the merits nor a strong likelihood of irreparable harm.

Thus, the fact that the court allowed the Commission’s caps on ancillary fees to go into effect for both inter- and intra- state calling does allow the conclusion that the court did not see a substantial likelihood of success as to whether such caps can be justified on the basis of Section 276 authority.⁵

2. The Recon Order Correctly Addresses Site Commissions and Establishes ICS Rates That Will Fully Compensate ICS Providers.

Much like the other ICS providers, Telmate next argues that it will be successful in its appeal because Telmate will not receive fair compensation under the new ICS rate caps due to the Commission’s decision to not ban site commissions. As a result, Telmate concludes that the new

⁵ The court also permitted several other rules that apply to both interstate and intrastate ICS to go into effect, including the: (i) caps on TTY rates (47 C.F.R. § 64.6040), (ii) Annual Reporting and Certification Requirement (47 C.F.R. §64.6060); (iii) caps on Taxes and Fees (47 C.F.R. § 64.6070); (iv) prohibition of Per-Call or Per-Connection charges (47 C.F.R. § 6080); (v) prohibition on Flat-Rate Calling (47 C.F.R. § 64.6090); (vi) Minimum and Maximum Prepaid Calling Account balances (47 C.F.R. § 64.6100) and (v) Consumer Disclosure of Inmate Calling Service Rates (47 C.F.R. § 64.6110).

ICS rate caps “contravene Section 276’s prescription to promote deployment of phones by requiring providers to withdraw service.”⁶

First, Telmate failed to provide any analysis of its costs to support its argument that it will not be fairly compensated. Other than the self-serving statements provided by one of Telmate’s executives, no corroborating evidence of Telmate’s inability to receive fair compensation was presented. On the other hand, the Wright Petitioners have provided evidence that Telmate will be fairly compensated for providing ICS to its customers.

Specifically, on July 29, 2016, the Wright Petitioners provided an updated cost analysis for each ICS provider that submitted a cost study in 2014.⁷ The analysis applied the new ICS rate caps adopted in the Recon Order to the providers’ costs specified in their bloated 2014 cost studies⁸ and showed that the seven largest ICS providers would have all of their costs covered by a significant margin.⁹

Moreover, the decision as to whether site commissions are recoverable “costs” was settled thirteen (13) years ago. In particular, the FCC determined that site commissions are “negotiable by contract with the facility owners and represent an apportionment of profits between the facility owners and the providers of the inmate payphone service.”¹⁰ While ICS providers like Telmate would have preferred that the Commission save ICS providers from the folly of their own making, the Commission’s adoption of new ICS rate caps, and the decision to not ban or otherwise regulate

⁶ *Petition*, pg. 13.

⁷ *See Wright Petitioners Ex Parte Submission*, dated July 29, 2016.

⁸ *See Second Report and Order*, 30 FCC Rcd at 12,790 (“We take the data at face value, even though the analysis shows that there is significant evidence—both from our own analysis and commenters’ critiques—suggesting that the reported costs are overstated.”).

⁹ *See Wright Petitioners Ex Parte Submission*, dated July 29, 2016, at Exhibit A.

¹⁰ *See Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996*, Order on Remand, 17 FCC Rcd 3248, 3262 (2002).

site commissions, fits squarely within the Commission’s statutory authority and its past long-standing precedent.

Instead, there is sufficient evidence in the record that Telmate will be fairly compensated under the new ICS rate caps and permissible ancillary fees, especially in light of undisputed evidence that call volume increases when rates are lowered.¹¹ Telmate has repeatedly cited its ability to generate higher call volume and substantial increases in site commissions when it takes over ICS contracts from other providers, and the new ICS rate caps that are higher than what was adopted in the Second Report and Order will provide additional revenue to satisfy Telmate’s contractual obligations. Therefore, Telmate will not be successful in its appeal due to the Commission’s decision regarding its entirely voluntary obligations.

3. The Recon Order Was Not Procedurally Defective.

Finally, Telmate will not be successful on the merits of its judicial appeal based on an argument that the Recon Order was procedurally defective. As noted in the record, the Wright Petitioners do not believe that the new ICS rate caps adopted in the Recon Order were necessary, as the ICS rate caps adopted in the 2015 Second Report and Order would have provided ICS providers with more than enough compensation to provide ICS to their customers.

Mr. Hamden’s Petition for Reconsideration requested that the Commission consider rules that would impose additional fees on ICS customers to compensate correctional facilities for their

¹¹ See *2016 Stay Order*, 31 FCC Rcd at 291. See *Praeses Ex Parte Submission*, Oct. 13, 2015, pg. 2 (“Interstate ICS call volume is now approximately 76 percent higher than before the effective date of the 2013 ICS Order and overall interstate ICS revenue has increased approximately 12 percent. Praeses expects that this same trend will affect intrastate ICS call volume and revenue once the Commission’s proposed new intrastate rate caps take effect, thereby substantially mitigating the loss of intrastate ICS revenue that will occur as a result of the lower intrastate ICS rates.”). See also *Petitioners’ Ex Parte Submission*, dated July 18, 2013 (“the recent statements of CenturyLink, GTL and Securus demonstrate that a lower ICS rate will lead to higher call volumes, and a commission of 50% or more can still be paid to the correctional authority. Each tout their low rate/high commission rate proposals as delivering higher call volumes and higher revenues for the Florida DOC. Their blended 15-minute rate was less than \$0.10 per minute, and each proposed to pay an annual commission in excess of 46%.”).

expenses in making ICS available to inmates and their families.¹² The Commission's action was well within the range of the issues Mr. Hamden raised and the remedies he sought. In response, the Commission added additional compensation to be paid by ICS customers to ICS providers. Because those funds are based on the minutes of use by inmates and their families for ICS that originates from a particular facility, any payment from ICS customers must first be paid to the correctional facilities by the ICS providers. This approach is in line with the current practice of ICS providers paying site commissions to correctional facilities based on minutes of use.

Telmate's complaint, therefore, cannot be based on the Commission not responding to Mr. Hamden's request to extract additional revenue from ICS customers to pay for making ICS available. Instead, Telmate's complaint is simply that the Commission determined that it would not take the additional step of limiting all payments by ICS providers to correctional facilities to some specific amount mandated by the Commission. However, as noted above, site commissions are entirely the creation of ICS providers and correctional authorities as means to influence the request for proposal evaluation process. In fact, some jurisdictions do not provide for the acceptance of site commissions at all. Site commissions do not have any direct relationship to a correctional facility's actual cost of making ICS service available to its inmates. Thus, the Commission's determination to make additional funds available to ICS providers to pay for the correctional facilities' cost of making ICS available directly was narrowly tailored to respond to Mr. Hamden's request, and was not procedurally defective.

II. Telmate Failed to Show Losses Are Irreparable

Telmate's Petition also failed to provide any analysis to support its claim that it will suffer irreparable injury as the result of the rates and fees adopted in the *Second R&O*. To be sure, Telmate will likely not earn the same level of unjust, unreasonable and unfair revenue from ICS

¹² *Recon Order*, ¶ 11, nt. 43.

customers as the result of the new ICS rates and ancillary fees, but as noted above, there is evidence in the record that the lower rates will increase call volume by more than 50%.

Even if Telmate will no longer earn monopoly profits, Telmate did not provide any evidence that its reduced revenue stream is a cognizable “irreparable harm.” To establish an irreparable harm, the Commission has stated that the “injury must be ‘both certain and great; it must be actual and not theoretical. Petitioners must provide ‘proof indicating that the harm [they allege] is certain to occur in the near future.’”¹³ For example, the FCC recently denied stay motions, stating:

Several general principles govern the irreparable injury inquiry. First, “the injury must be both certain and great; it must be actual and not theoretical.” *Wisconsin Gas Co. v. FERC*, 758 F.2d 669, 674 (D.C. Cir. 1985). A movant must also “substantiate the claim that the irreparable injury is ‘likely’ to occur....Bare allegations of what is likely to occur are of no value since the court must decide whether the harm will in fact occur.” *Id.* Further, it is “well settled that economic loss does not, in and of itself, constitute irreparable harm.” *Id.* The only exceptions to this rule are when (1) the economic loss threatens the “very existence of the movant's business,” *id.*, and (2) such loss is great, certain, and imminent. *Cardinal Health, Inc. v. Holder*, 846 F. Supp. 2d 203, 211 (D.D.C. 2012).¹⁴

Nowhere in the Petition did Telmate even attempt to make this showing.

Moreover, Telmate’s financial reports submitted to Alabama’s Public Service Commission show that, in just its operations in Alabama, Telmate earned a net income of \$3.7 million in FY 2015, and \$2.6 million in FY 2014.¹⁵ Telmate provides service in 25 other states, and more than 195 other institutions.¹⁶ To the extent that Telmate is earning net income of more than \$3 million just in Alabama, its argument that it will be irreparably harmed is meritless, and must be rejected.

Finally, the Wright Petitioners previously submitted copies of recently-adopted amendments to existing ICS contracts to ensure that both the ICS provider and the correctional facility “remain

¹³ See *Connect America Fund*, Order, 27 FCC Rcd 7158, 7160 (2012).

¹⁴ See *Expanding the Economic and Innovation Opportunities of Spectrum through Incentive Auctions*, Opinion, DA 15-1454 (Dec. 18, 2015).

¹⁵ See Appendix A.

¹⁶ See Appendix B. The list was (laboriously) derived from: <https://www.gettingout.com/deposit/>.

whole.”¹⁷ Telmate actively engaged in the process, and has created “Facility Support Fees” that are based on per-minute usage.¹⁸ To the extent that it argues that it incurred unrecoverable expenses for “negotiating amendments to all of its contracts, traveling to meet with customers to explain the changes, and altering its billing and internal systems,”¹⁹ Telmate has apparently built into these amendments new mechanisms to ensure that it maintains its current level of unjust, unreasonable and unfair monopoly profits, and most certainly will not be irreparably harmed. In fact, to the extent that these “Facility Support Fees” are to be sent to the correctional facilities, Telmate’s need for additional revenue through the increased ICS rate caps is further diminished and Telmate has utterly failed to show that it will be irreparably harmed.

III. A Stay Will Harm Consumers

Additionally, Telmate is simply wrong in concluding that third parties will not be harmed by the grant of the Petition.²⁰ Any delay in the effectiveness of the Recon Order would delay immediate relief to millions of ICS customers currently being charged excessive ICS intrastate rates, who have seen their ICS expenses *increase* due to the actions of Telmate and other ICS providers. As noted above, the Wright Petitioners has previously submitted copies of recently-adopted amendments to existing ICS contracts that Telmate entered into to ensure that it, and the and the correctional facility, would “remain whole.”²¹ These efforts include the creation of a new “facility support fee” of \$0.06 per minute that is imposed on ICS customers.

¹⁷ See *Opposition to GTL’s Petition for Waiver*, dated June 17, 2016, at Appendix B, Appendix C. See also *Wright Petitioners Ex Parte Presentation*, dated July 29, 2016, at Exhibit B.

¹⁸ See *Wright Petitioners Ex Parte Presentation*, dated July 29, 2016, at Exhibit B – Nevada County, California, Oklahoma County, Oklahoma, and Deschutes County, Oregon.

¹⁹ *Petition*, pg. 7.

²⁰ *Id.*, pg. 9.

²¹ See *Opposition to GTL’s Petition for Waiver*, dated June 17, 2016, at Appendix B, Appendix C. See also *Wright Petitioners Ex Parte Presentation*, dated July 29, 2016, at Exhibit B.

Apparently, this is “the continuation of the status quo”²² that Telmate seeks to maintain. It is obvious that Telmate’s Petition seeks additional time so that it may continue charging unjust, unreasonable and unfair intrastate rates to its customers as a replacement for the revenue it lost when the Commission’s cap on ancillary ICS fees went into effect. Coupled with the increase in intrastate rates outlined above, there will be substantial harm to third-parties if the new ICS rate caps are not imposed as soon as possible.

IV. There Are Strong Public Interest Benefits Arising From Denial of Stay.

Finally, the Wright Petitioners have provided irrefutable evidence that reform of all ICS rates is critical, and that there will be overwhelmingly positive public interest benefits arising from the Commission’s implementation of a uniform ICS rate cap on intrastate and interstate calls. Any delay in the effectiveness of the Recon Order would be, in fact, counter to the public interest.

In particular, the Wright Petitioners have introduced comprehensive evidence that increased contact between inmates and their families and loved ones will reduce recidivism rates, which will decrease the cost of incarceration. In fact, it was shown that just a 1% decrease in the recidivism rate would result in savings of more than 250 million dollars for state, county and local jurisdictions.

Also, the Wright Petitioners have provided previous statements from Securus, GTL, Telmate and CenturyLink in response to Requests for Proposals asserting that the reduction in rates and fees would lead to increased call volume, increased revenues for ICS providers, and, in turn, increased commissions paid to the correctional facilities that receive site commissions. In fact, attached hereto as Appendix C is an excerpt from Telmate’s submission to Lane County, Oregon, citing its direct role in generating “increased revenue and call volume experienced by Telmate customers after switching to Telmate.”

²² *Petition*, pg. 9.

In sum, Telmate has utterly failed to establish that its pecuniary interest in getting out of its voluntary obligations to pay site commissions, and its avoidance of additional expenses to eliminate unjust, unreasonable and unfair ICS rates and fees, outweighs the enormous public interest harms associated with any further delay in the effectiveness of the new ICS rate caps adopted in the Recon Order. Indeed, the record in this proceeding overwhelmingly demonstrates the significant and adverse effects caused by the unjust, unreasonable and unfair ICS rates and fees.

CONCLUSION

Thus, Telmate has (i) failed to establish that an appeal of the Order on Reconsideration would be successful on the merits; (ii) failed to provide any evidence that it will suffer irreparable harm; (iii) failed to show the lack of harm to third parties (in fact, great harm will be caused from a delay in the effectiveness of the lower rates for all ICS calls); and (iv) failed to show any public interest benefit from granting a stay.

Therefore, Petitioners oppose Telmate, Inc.'s Petition for Stay, and respectfully request that the Commission adopt an order denying the request as legally unsustainable.

Respectfully submitted,

By: 

Lee G. Petro

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Counsel to The Wright Petitioners

September 6, 2016

APPENDIX A

Law Offices

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NEW YORK
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June 17, 2015

By PDF to Darrell.Baker@psc.alabama.gov

Darrell Baker, Director
Utility Service Division Alabama
Public Service Commission
PO Box 304260
Montgomery, AL 36130-4260

Re: Public Records Request

Dear Mr. Baker:

This letter is a formal request for records under the Code of Alabama, §§ 36-12-40 and 36-12-41. I am sending this request to you in your capacity as the records custodian in the Telecommunications Division of the Alabama Public Service Commission (“APSC”). If, however, you are not a records custodian, please forward this letter to the appropriate person and advise me accordingly by phone or e-mail.

I request:

1. copies of the annual financial reports (that is, Annual Reports to Shareholders and Form 10-Ks filed with the Securities and Exchange Commission, or financial statements—including balance sheets and income statements—as the case may be) for the years 2013 and 2014 filed by or on behalf of the companies listed below;
2. copies of provider notifications to the APSC with respect to the provider’s progress in complying with the maximum \$5.95 payment transfer fee requirement in accordance with paragraph 8.25 of the APSC ICS Order under Docket 15957, dated December 9, 2014 (the “Order”); and
3. copies of the required abbreviated tariff for each provider in accordance with paragraph 10.04, Appendix F, and Appendix G to the Order, page 10.

The request applies to the following companies, along with their wholly-owned subsidiaries and parent entities, along with any submissions supplied by third-parties on the behalf of the company:

1. ATN, Inc., d/b/a AmTel
2. City Tele Coin, Inc.
3. Combined Public Communications
4. Consolidated Telecom, Inc.
5. DSI-ITI, LLC
6. Embarq Payphone Services, Inc.
7. Global Tel*Link
8. Infinity Networks, Inc.
9. Inmate Calling Solutions d/b/a ICSolutions
10. Legacy Long Distance International, Inc.
11. Network Communications International Corp. d/b/a 1800Call4Less
12. Pay Tel Communications, Inc.
13. Securus Technologies, Inc. (f/k/a Evercom Systems, Inc.)
14. Talton Communications, Inc.
15. Telmate, LLC
16. Value-Added Communications, Inc.

PDF or other electronic or scanned copies of the subject records delivered to me by email or on disk are preferable, but printed copies are acceptable if electronic copies do not exist. Please note that I do *not* need certified copies of the records.

I recognize that you may charge reasonable fees for the copies. Please provide me, by phone or e-mail, with the cost for the requested copies, and instructions for payment. If you are producing printed copies of the records, I will be happy to provide my FedEx billing information to facilitate shipping the records to me at the above address.

I would appreciate your expediting this request and complying with it at your earliest opportunity. If you have any questions or require any additional information, please do not hesitate to contact me by phone or e-mail.

Mr. Darrell Baker

July 15, 2015

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Respectfully submitted,



Lee G. Petro

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202-842-8465 - Telecopier

Telmate LLC (operations in state of Alabama)
Balance Sheet - Unaudited

Telmate Confidential
December 31, 2015

ASSETS

Current Assets

Cash and Cash Equivalent

Accounts Receivable and Other Current Assets

Total Current Assets

\$ -

Fixed Assets, Net of Depreciation

\$ 238,878.00

Total Assets

\$ 238,878.00

LIABILITIES & EQUITY

Current Liabilities

Accounts Payable

Accrued Liabilities

Total Current Liabilities

\$ -

Long Term Liabilities

\$ -

Equity

\$ 238,878.00

Total Liabilities and Equity

\$ 238,878.00

Telmate LLC (operations in state of Alabama)
Statement of Operations - Unaudited

Telmate Confidential
December 31, 2015

Revenue

\$ 4,985,526.00

Costs of Revenue

\$ 1,609,897.28

Gross Profit

\$ 3,375,628.72

Selling, General and Administrative Expenses

Net Income

\$ 3,375,628.72

Telmate LLC (operations in State of Alabama)
Balance Sheet - Unaudited

Telmate Confidential

December 31, 2014

Assets

Current Assets

Cash and Cash Equivalents

Accounts Receivable and Other Current Assets

Total Current Assets

Fixed Assets, Net of Depreciation

Total Assets

\$	-
\$	321,259
\$	321,259

Liabilities and Equity

Current Liabilities

Accounts Payable

Accrued Liabilities

Total Current Liabilities

Long-Term Liabilities

\$	-
\$	-

Equity

Total Liabilities and Equity

\$	321,259
\$	321,259

Telmate LLC (operations in State of Alabama)
Statement of Operations - Unaudited

Telmate Confidential

Period Ending
December 31, 2014

Revenue

Costs of Revenue

Gross Profit

Selling, General and Administrative Expenses

Net Income

\$	4,602,884
\$	1,969,808
\$	2,633,076
\$	2,633,076

Telmate LLC (operations in State of Alabama)
Balance Sheet - Unaudited

Telmate Confidential

December 31, 2013

Assets

Current Assets	
Cash and Cash Equivalents	
Accounts Receivable and other current assets	
Total Current Assets	\$ -
Fixed assets, net of depreciation	\$ 424,947
Total Assets	<u>\$ 424,947</u>

Liabilities and Equity

Current Liabilities	
Accounts Payable	
Accrued Liabilities	
Total Current Liabilities	\$ -
Long-Term Liabilities	\$ -
Equity	\$ 424,947
Total Liabilities and Equity	<u>\$ 424,947</u>

Telmate LLC (operations in State of Alabama)
Statement of Operations - Unaudited

Telmate Confidential

December 31, 2013

Revenue	\$ 4,485,616
Costs of Revenue	<u>\$ 2,036,470</u>
Gross Profit	\$ 2,449,146
Selling, general and administrative expenses	
Net Income	<u>\$ 2,449,146</u>

APPENDIX B

TELMATE ICS FACILITIES

Alabama

Boaz City Jail
Calhoun County Jail
Cherokee County Detention Center
City of Albertville: Police Department
City of Arab Police Department
Colbert County Jail
Coosa County Jail
Covington County
Cullman County Detention Center
Dallas County Jail
Decatur City Jail
DeKalb County Detention Center
Etowah County Jail
Franklin County Jail
Guntersville Police Department
Hale County Jail
Jackson County Jail
Lauderdale County Jail
Lee County Detention Facility
Marion County Jail (Alabama)
Marshall County Jail
Marshall County Work Release Center
Morgan County Jail
Randolph County Jail
St Clair County Jail
Talladega County Jail
Walker County Jail
Winston County Jail

Arizona

Coconino County Detention Facility AZ
Florence, AZ
Santa Cruz County Jail AZ
California
Adelanto Detention Center
Carl F Bryan Juvenile Hall (Nevada Co) CA
El Centro, Ca CLOSED
Imperial County Jail CA
Imperial Regional Detention Facility CA
Los Angeles, CA
Mesa Verde Detention Facility
Nevada County CA
Otay Mesa Detention Center

Placer County, CA
San Mateo County

Colorado

Aurora, Co
Douglas County Colorado
Mesa CO

Florida

Broward, FL
Flagler FL (Trinity)
Glades County FL
Hendry County Jail FL
Krome, FL
Walton County FL

Georgia

Douglas County GA
Effingham County GA
ICE Tertiary Holding Cells Atlanta GA
Miller County Jail GA
North Georgia Detention Center
Paulding County GA
Seminole County, GA

Idaho

3B Juvenile Detention Center ID
Ada County Jail ID
Ada County Juvenile Detention Center
Bannock County ID
Bingham County, ID
Blaine County, ID
Bonner County Detention Center, ID
Bonneville, ID
Canyon County, ID
Caribou County ID
District 1 Juvenile Detention
Elmore County, ID
Fort Hall, ID
Fremont County ID
Gooding County ID
Jefferson County ID
Jerome County, ID
Kootenai County Jail ID

Latah County ID
Madison County ID
Mini-Cassia Justice Center ID
Owyhee County, ID
Payette, ID
Power County ID
Shoshone County Jail ID
Southwest Idaho Juvenile Detention Center
Twin Falls, ID
Washington County, ID

Indiana

Delaware County IN
Hamilton County Jail, IN
Hamilton County Work Release
Knox County Jail IN
Lake County Jail, IN
Marshall County IN
Miami County, IN
Monroe County Jail IN
Vanderburgh County IN
Washington County IN
Whitley County Jail IN

Kentucky

Boyle County Detention Center KY
Carter County Detention Center KY
Christian KY
Harlan County Detention Center KY
Jessamine County Detention Center KY
Laurel County Correctional Center
Marion County, KY
McCracken KY

Louisiana

Caddo Parish LA (Trinity)
Lafayette Parish Corrections
Lasalle Detention Facility
Pine Prairie

Michigan

Allegan County Corrections Center MI
Kalamazoo County Jail MI
St Clair MI

Missouri

Greene County Jail MO
Kirkwood Police Dept MO
Wentzville Police Dept MO

Montana

Dawson Correctional Facility (County) MT
Dawson Correctional Facility (State) MT
Gallatin County, Mt
Montana State Prison
Montana Women's Prison
Pine Hills Correctional Facility MT
Riverside Correctional Facility MT
Yellowstone County Detention Center MT

Nebraska

Buffalo County, NE
Sarpy County Jail NE

New Jersey

Elizabeth, NJ

New Mexico

Otero (Chaparral), NM
San Juan NM
Sandoval NM

Nevada

Nye County, NV

New York

Buffalo, NY
St Lawrence County Jail

Oklahoma

Beckham County OK
Oklahoma County, OK

Oregon

Baker County, OR
Clackamas Co OR
Coffee Creek Correctional Institution
Columbia River Correctional Institution
Coos County Jail OR

Curry County Jail OR
Deer Ridge Correctional Institution
Deschutes County Adult Jail OR
Eastern Oregon Correctional Institution
Lane County OR
Linn County Jail OR
Malheur, OR
Marion County OR
Mill Creek Correctional Facility
NORCOR Adult Facility
Ontario OR Red Apple Kiosk
Oregon State Correctional Institution
Oregon State Penitentiary
Powder River Correctional Facility
Santiam Correctional Institution
Shutter Creek Correctional Institution
Snake River Correctional Facility
South Fork Forest Camp
Tillamook County, OR
Two Rivers Correctional Institution
Umatilla OR
Warner Creek Correctional Facility
Washington County

South Carolina

Chester County Detention Center SC

Tennessee

Rutherford County TN

Texas

Aransas County
Atascosa Juvenile TX
Austin County TX
Bandera, TX
Dimmit Co Jail
El Paso, TX
Fayette County
Gillespie County Jail TX
Houston, TX
Karnes County Residential Center
Medina County Jail
Parker County Jail TX
Port Isabel, TX

Prairieland Detention Center
San Antonio
South Texas
South Texas Family Residential
Sutton County Jail TX
Victoria County
Victoria Juvenile
Webb County Jail TX

Utah

Purgatory Correctional Facility Washington County UT
Sanpete County, UT
Sevier County Jail UT
Uintah County, UT
Weber UT (Trinity)

Washington

Benton County Jail WA
Chelan County WA
Clark County, WA
Kitsap County, Wa
Lewis County Jail WA
Nisqually Public Safety Complex WA
SCORE WA
Skagit County, WA
Tacoma, WA
Thurston County ARC WA

Wisconsin

Rock County, WI

Wyoming

Albany County, WY
Campbell County, WY
Sheridan County WY
Sweetwater Detention Center WY

APPENDIX C

ACTUAL CALL VOLUME & REVENUE INCREASES

Telmate typically increases gross revenue between 15 and 30% over incumbent systems, and we've replaced the phone systems of every other major vendor. Telmate's practice is to reduce the price of calls for inmates and increase payment options, which in turn creates higher call volumes and more revenue. We believe that fair inmate pricing and better service ultimately benefit everyone, and our clients' history has proven this to be true. Below are a few examples of increased revenue and call volume experienced by Telmate customers after switching to Telmate:

- **Oregon Department of Corrections:** Telmate reduced average call prices by more than 40%, causing gross minutes per month to increase from 2.1 million to 3.1 million, and boosting average monthly inmate spend by 42%, from \$26 to \$37.
- **Washington County, Oregon:** County gross annual revenue increased from \$196,494.72 to a running 12-month average of \$387,566 since switching to Telmate, a 97% increase in revenues.
- **Homeland Security, ICE:** Not only did Telmate dramatically reduce the cost of calling for all ICE facilities to 10 cents per minute but we increased gross revenue from \$6 million annually to \$11 million (annualized since install) – an 83% increase in revenue (since switching from the incumbent provider to Telmate).
- **Oklahoma County, Oklahoma:** Since switching to Telmate, gross revenues have increased from \$48,000 to \$124,000 per month, (a 158% increase) while at the same time reducing call prices by up to \$10.00 per call.
- **Twin Falls County, Idaho:** Telmate has increased gross revenue from \$310 per day to \$661 per day, an annual revenue increase of \$124,500 (113% increase gross revenue), while at the same time reducing the cost of calls to inmates by up to 60%. Call volume has increased from 122 calls per day to 272 calls per day.
- **Clark County, Washington:** Telmate has increased call volume at Clark County from 696 calls per day to 994 calls per day (43% increase in calls per day and call time). (Prior call counts based on reported figures from the incumbent provider).
- **Kitsap County, Washington:** Telmate increased call volume from 361 calls per day to 554 calls per day (53% increase in calls per day and an 84% increase in minutes per day). (Prior calls counts based on reported call counts from the incumbent provider).
- **Glades County, Florida:** Since switching to Telmate in January, 2011, Glades County call prices have decreased by 36%, inmates are making 87% more calls, and facility revenue is up 20%.
- **Bingham County, Idaho:** Since switching from the incumbent provider in late 2010, Bingham County has increased revenue by over 58%.

Telmate Typically Increases Gross Revenue by About 30%

Telmate typically increases gross revenue by around 30% over incumbent systems.



A chart detailing how Telmate increases gross revenue is included directly following the cover letter in this proposal.

Feel free to contact our references and hear their experiences with Telmate.



- **Montana Department of Corrections:** Since switching to Telmate in early 2011, the number of inmate phone calls has tripled, the average price of each call has decreased by 63% and the state's revenue goals have been met every month.
- **Carter County, Kentucky:** Since switching to Telmate, Telmate has increased monthly call volume by 291% and increased the average inmate spend by 36%.
- **Bannock County, Idaho:** Since switching to Telmate in November, 2010, call volume for the 240+ inmates has more than tripled and monthly gross phone revenue for the facility has increased by 27%.
- **Mini Cassia, Idaho:** Since switching to Telmate, Telmate has increased monthly gross call revenue by 70%.
- **Laurel County, Kentucky:** Since switching to Telmate, Laurel County has increased monthly gross call revenue by over 25%.
- **Jessamine County, Kentucky:** Since switching to Telmate, Jessamine County has increased monthly gross call revenue by over 222%. The previous vendor's call volume data was not available for comparison.
- **Whitley County, Indiana:** Since switching to Telmate in June, 2011, gross call revenue has increased 89%. The total number of call minutes each month has increased by 261%, an increase of over 3.5 times.
- **Coos County, Oregon:** Since switching to Telmate in June, 2011, gross call revenue has increased by 41%. The previous vendor's call volume data was not available for comparison.

Note: For all installed locations, Telmate continuously compares revenue and call volume (both the number of calls and call minutes) with prior vendor data. This data from prior vendors is not always available, and when it is available we cannot guarantee accuracy. All numbers used in the calculations above are based on information provided by the listed facilities.

Telmate vs. Competitors

Telmate dramatically increases the number of inmate telephone calls after changeover from our competitors.



After hundreds of installations, we've seen inmate calls typically increase around 20%, and in some cases as high as 300%.

These increases typically result from:

- lower call prices
- increased uptime
- wide ranging deposit options
- helpful customer service
- a diverse set of new product offerings, such as inmate voicemail
- A friendly, easy-to-use system

CERTIFICATE OF SERVICE

I hereby certify that, on September 6, 2016, the forgoing Opposition was served via electronic mail on the following persons:

Marlene H. Dortch, Secretary
Federal Communications Commission
Marlene.Dortch@fcc.gov

Chairman Tom Wheeler
Federal Communications Commission
Tom.Wheeler@fcc.gov

Commissioner Mignon Clyburn
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